

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY

Law Department

888 Union Station • Chicago, Illinois 60606

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(312) 236-7600

MICHAEL R. SULLIVAN
General Counsel
Corporate Counsel

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ICC Washington, D. C.

October 20, 1976

RECORDATION NO. 9529
OCT 22 1976 - 11 13 AM
INTERSTATE COMMERCE COMMISSION
Filed & Recorded

Mr. Robert L. Oswald, Secretary
Interstate Commerce Commission
Washington, D. C. 20423

Dear Mr. Oswald:

In pursuance of the provisions of Section 20c of the Interstate Commerce Act, as amended, and the regulations of the Interstate Commerce Commission promulgated thereunder, there are herewith transmitted for filing and recording five (5) executed counterparts of the following document: Agreement to Lease Railroad Equipment, dated as of October 1, 1976, between CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, Lessee, and U. S. STEEL CREDIT CORPORATION, Lessor.

The names and addresses of the parties to the transaction are as follows:

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY,
Lessee
746 Union Station Building
516 West Jackson Boulevard
Chicago, Illinois 60606

U. S. STEEL CREDIT CORPORATION, Lessor
Room 5688
600 Grant Street
Pittsburgh, Pennsylvania 15230

A general description of the equipment covered by said Agreement to Lease Railroad Equipment is as follows:

300 rebuilt 50-ton, 8-stake, 4-bunk log flat cars,
A.A.R. mechanical designation F191 bearing Lessee's
road numbers 58195-58494, inclusive.

C. H. Kimball

[Signature]

The above-identified document has not heretofore been recorded with the Interstate Commerce Commission. Please accept for recordation the original and two counterparts, stamp the remaining counterparts with the appropriate recordation number and return them with your fee receipt and letter confirming receipt to my delivering messenger.

The filing and recordation fees in the amount of \$50.00 in respect of this document is submitted herewith.

Yours very truly,

CHICAGO, MILWAUKEE, ST. PAUL
AND PACIFIC RAILROAD COMPANY

By M. D. Sullivan
General Attorney and
Corporate Counsel

MDS/bp
encls.

Interstate Commerce Commission
Washington, D.C. 20423

10/22/76

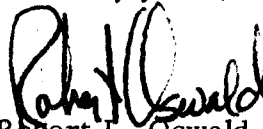
OFFICE OF THE SECRETARY

M.D. Sullivan, Gen. Atty.
Chicago, Milwaukee, St. Paul & Pacific RR. Co.
888 Union Station
Chicago, Illinois 60606

Dear

The enclosed document(s) was recorded pursuant to the
provisions of Section 20(c) of the Interstate Commerce Act,
49 U.S.C. 20(c), on 10/22/76 at 11:15am ,
and assigned recordation number(s) 8529

Sincerely yours,


Robert L. Oswald
Secretary

Enclosure(s)

SE-30
(5/76)

AGREEMENT TO LEASE RAILROAD EQUIPMENT

DATED AS OF OCTOBER 1, 1976

RECORDATION NO. 8529 Filed & Recorded

OCT 22 1976 - 11 13 AM

INTERSTATE COMMERCE COMMISSION

Between

U. S. STEEL CREDIT CORPORATION
Lessor,

and

CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC
RAILROAD COMPANY,
Lessee.

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THIS AGREEMENT TO LEASE RAILROAD EQUIPMENT (hereinafter the "Agreement") is dated as of October 1, 1976, and made between U. S. STEEL CREDIT CORPORATION, a Delaware corporation (hereinafter "Lessor"), and CHICAGO, MILWAUKEE, ST. PAUL AND PACIFIC RAILROAD COMPANY, a Wisconsin corporation, with principal executive offices at 516 W. Jackson Boulevard, Chicago, Illinois 60606 (hereinafter "Lessee");

W I T N E S S E T H :

WHEREAS, Lessee desires to lease from Lessor commencing no later than March 31, 1977, up to three hundred (300) cars bearing Lessee's road numbers 58195 to 58494, both inclusive (hereinafter "Car" or "Cars"), at the rentals and for the terms and upon the conditions hereinafter provided.

NOW, THEREFORE, in consideration of the mutual premises and of the rentals to be paid by Lessee and the covenants hereinafter mentioned to be kept and performed by Lessee and Lessor, Lessor hereby undertakes to lease the Cars to Lessee, and Lessee hereby agrees to lease the Cars from Lessor, upon the following terms and conditions:

Section 1. Delivery of Cars. Lessor will cause the Cars to be tendered to Lessee at Milwaukee, Wisconsin.

Section 2. Acceptance of Cars. Lessee will cause its authorized representative to accept delivery of the Cars and to execute and deliver to Lessor a certificate of acceptance therefor (hereinafter the "Certificate of Acceptance") in the form which is attached hereto, made a part hereof and

marked Exhibit "A"; whereupon each such Car shall be deemed to have been delivered to and accepted by Lessee and shall be subject thereafter to all terms and conditions of this Agreement.

Section 3. Title. At all times while this Agreement is in force, no title or other right of ownership in the Cars shall be vested in Lessee by tender of possession of the Cars to Lessee or Lessee's acceptance, use or possession thereof.

Section 4. Rentals. Lessee will pay to Lessor, for the period commencing and including the date on which Lessor shall make any Interim Construction Payment (as hereinafter defined) and until and excluding the commencement of the Initial Term (as defined in Section 5 hereof), as interim rent in respect of each Car for which Lessor shall have made any such payment, a per diem amount equal to .04149% of each such payment made by Lessor (hereinafter the "Interim Rent"). "Interim Construction Payment" shall be, with respect to each Car, any and all amounts Lessor shall have paid for construction of each such Car prior to the commencement of the Initial Term. The Interim Rent shall be paid upon commencement of the Initial Term.

During the Initial Term, Lessee will pay Lessor, as rental for the Cars leased hereunder, in advance, forty (40) consecutive quarterly payments each in an amount equal to 3.734% of the total cost to Lessor to acquire and construct the Cars, which total cost is estimated to be \$2,600,000. The initial rental payment date shall be the date on which Lessor makes its final payment for the acquisition and construction of the Cars (hereinafter the "Final Settlement Date"), which shall not be later than April 10, 1977.

Subsequent rental payments shall be due on the same day of the month as the first day of the Initial Term, during every third month thereafter during the Initial Term and any extension or renewals thereof (hereinafter the "Rental Payment Date").

If any Rental Payment Date is not a business day, the rental payment otherwise payable on such date shall be payable on the next succeeding business day. The term "business day" as used herein shall mean a calendar day, excluding Saturdays, Sundays and any other days on which banking institutions in New York, New York are authorized or obligated to remain closed.

All payments to Lessor provided for in this Agreement shall be made to Lessor at P. O. Box 7591, Church Street Station, New York, New York 10249, or at such other places as Lessor may from time to time specify in writing to Lessee.

The lease embodied in this Agreement is a net lease and Lessee shall not be entitled to any abatement of rent or other payment due hereunder or any reduction or setoff thereof under any circumstances or for any reason whatsoever, including but not limited to, abatements, reductions or setoffs due to any present or future claims of Lessee against Lessor or any assignee or transferee of Lessor under this Agreement or otherwise, nor, except as otherwise expressly provided herein, shall this Agreement terminate, or the respective obligations of Lessor or Lessee be otherwise affected, by reason of any defect in or failure of title of Lessor to the Cars or damage to or loss of possession or loss of use or destruction of all or any of the Cars from whatever cause, the taking or requisition of the Cars by condemnation or otherwise, the prohibition of or other restriction against Lessee's use of

the Cars, other than any such prohibition or restriction arising through or by Lessor, the interference with such use by any government, person, entity or corporation, other than any such interference arising through or by Lessor, the invalidity or unenforceability or lack of due authorization or other infirmity of this Agreement, or lack of right, power or authority of Lessor or Lessee to enter into this Agreement, any insolvency, bankruptcy, reorganization or similar proceeding against Lessee or for any other cause whether similar or dissimilar to the foregoing, any present or future law to the contrary notwithstanding, it being the intention of the parties hereto that the rents and other amounts payable by Lessee hereunder shall continue to be payable in all events in the manner and at the times herein provided unless the obligation to pay the same shall be terminated pursuant to the express provisions of this Agreement. To the extent permitted by applicable law, Lessee hereby waives any and all rights which it may now have or which at any time hereafter may be conferred upon it, by statute or otherwise, to terminate, cancel, quit or surrender the lease embodied in this Agreement or the Cars except in accordance with the express terms hereof. Each rental or other payment due under this Agreement made by Lessee shall be final and Lessee shall not seek to recover all or any part of any such payment from Lessor for any reason whatsoever.

If any amounts payable pursuant to the terms of this Agreement, including but not limited to rentals due hereunder, remain unpaid after the same shall become due and payable, Lessee shall pay also to Lessor an amount equal to 12% per annum (hereinafter the "Interest Rate") of such overdue amounts for the period of time during which such overdue amounts remain unpaid, or such lesser amount as may be legally enforceable, it being expressly understood that this provision shall be in addition to any other rights which

Lessor may have under this Agreement in the event Lessee fails to make payment of any amount payable pursuant to this Agreement as and when the same shall have become due and payable.

Section 5. Term of Lease; Purchase Options; Renewal Terms; Rentals for First and Second Renewal Terms. The initial term of the lease embodied in this Agreement (hereinafter the "Initial Term") shall commence on the Final Settlement Date, and, subject to the provisions of this Section 5 and Section 10 hereof, shall terminate at the expiration of one hundred twenty (120) months from the commencement of the Initial Term.

At the end of the Initial Term Lessee may either purchase all but not less than all of the Cars then subject to the lease embodied in this Agreement at their then fair market value or lease all but not less than all such Cars for an additional twelve (12) month term (hereinafter the "First Renewal Term") for a fair rental value payable quarterly in advance; or, in the alternative, Lessee shall return the Cars to Lessor, as provided for in this Agreement.

At the end of the First Renewal Term, if any, Lessee may either purchase all but not less than all of the Cars then subject to the lease embodied in this Agreement at their then fair market value, or lease all but not less than all such Cars for an additional twelve (12) month term (hereinafter the "Second Renewal Term") for a fair rental value payable quarterly in advance; or, in the alternative, Lessee shall return the Cars to Lessor, as provided for in this Agreement.

At the end of the Second Renewal Term, if any, Lessee may either purchase all but not less than all of the Cars then subject to the lease embodied in this Agreement at their then fair market value or return the Cars to Lessor, as provided for in this Agreement.

Notwithstanding anything to the contrary contained in this Section 5, Lessee may exercise any of the options described in this Section 5 only if (i) at the time of such exercise Lessee is not in default hereunder; (ii) Lessee shall have given Lessor 180 days prior written notice of its election to exercise any such option; and (iii) the elected option is exercised with respect to all, but not less than all, of the Cars then covered by the lease embodied in this Agreement.

The fair market value or the fair rental value, as the case may be, shall be the amount a willing and informed purchaser or lessee, as the case may be, would pay and a willing and informed seller or lessor, as the case may be, would accept for the sale or lease, as the case may be, of such Cars. In the event the determination of such amount shall be required in connection with the exercise by Lessee of any of its options described in this Section 5, Lessee shall estimate and shall tender to Lessor such estimate of the fair market value or the fair rental value, as the case may be, with the 180 day notice set forth above. In all other events in which the determination of such amount shall be required, Lessee shall, after written request therefor by Lessor, promptly estimate and promptly tender to Lessor such estimate of the fair market value or the fair rental value, as the case may be. In the event Lessor rejects Lessee's estimate and the parties cannot otherwise agree within 60 days after the tendering of Lessee's estimate, then the fair market value or fair rental value, as the case may be, shall be determined by an appraiser selected by mutual agreement. If the parties are unable to agree upon an appraiser, or if the fair market value or fair rental value, as the case may be, otherwise is not determined within 90 days after the tendering of Lessee's estimate, Lessor and Lessee shall each select an appraiser within 5 days thereafter and the two appraisers so selected shall select a third

appraiser within 10 days after selection of the two appraisers. The three appraisers shall determine, by the agreement of any two appraisers, the fair market value or fair rental value, as the case may be, within 30 days after appointment of the third appraiser. If the three appraisers fail to make such determination within the said 30 day period, the same shall be determined by the American Appraisal Company. All costs of appraisal shall be borne by Lessee.

In the event Lessee elects to purchase the Cars, upon payment by Lessee of the fair market value, Lessor shall, upon written request therefor by Lessee, execute and deliver to Lessee a bill of sale (without warranties) for the Cars such as will transfer to Lessee title to the Cars free and clear of all liens, security interests or other encumbrances arising solely through Lessor, other than those which shall be or shall become the express responsibility of Lessee pursuant to the terms of this Agreement or otherwise.

Section 6. Identification Marks. During the continuance of this Agreement, any extension or renewal thereof, and during any and all periods of assemblage, storage, transportation, or delivery provided for in Section 11 hereof, Lessee will cause each Car to be numbered with the new road numbers hereinabove set forth, and will keep and maintain, plainly, distinctly, permanently and conspicuously marked on each side of each Car, in letters not less than one inch in height, "U.S. Steel Credit Corporation, Pittsburgh, PA, Owner and Lessor", or other appropriate words designated by Lessor, with appropriate changes thereof and additions thereto as from time to time may be requested by Lessor or required by law in order to protect Lessor's title to the Cars and its rights under this Agreement. Lessee will not place any Car in operation until such words shall have been so marked on both sides there-

of and will replace promptly any such words or letters which may be removed, defaced or destroyed. Lessee will not change the road number of any Car:

(i) except with Lessor's consent and in accordance with a statement of new numbers to be substituted therefor, which consent and statement or reference thereto previously shall have been filed with Lessor by Lessee and filed, recorded or deposited in all public offices where this Agreement shall have been filed, recorded or deposited and (ii) until Lessee shall have furnished Lessor an opinion of counsel, in scope and substance satisfactory to Lessor, to the effect that all such filing has been accomplished and to the further effect that such filing, recordation and deposit will protect Lessor's title to the Cars and its rights under this Agreement and that no further filing, recording, or depositing or giving of notice with or to any other Federal, state or local government or agency thereof is necessary to protect Lessor's title to the Cars and its rights under this Agreement.

Except as hereinabove provided, Lessee will not allow the name of any person, association or corporation to be placed on the Cars as a designation that might be interpreted as a claim of ownership; provided, however, that Lessee may cause the Cars to be lettered with the names or initials or other insignia customarily used by Lessee or its affiliates on railroad equipment used by it of the same or a similar type for convenience of identification of the right of Lessee to use the Cars under this Agreement.

Section 7. Taxes. Lessee agrees that, during the continuance of this Agreement, in addition to the rentals and other payments herein provided and as a separate item, it will promptly pay all taxes, assessments, fees, charges, documentary stamp taxes, license fees, and other governmental charges,

whatsoever, however designated, regardless of when and by whom payable, including but not limited to sales or use taxes, together with all fines, penalties and interest in connection therewith levied or assessed upon the Cars or the interest of Lessee in the Cars subject to this Agreement or any thereof or upon the use or operation thereof or the earnings of Lessee arising therefrom; and will promptly pay or reimburse Lessor for all taxes, assessments, fees, charges, documentary stamp taxes, license fees, and other governmental charges whatsoever, however designated, regardless of when and by whom payable, levied or assessed against Lessor together with all fines, penalties and interest in connection therewith on account of its acquisition or ownership of the Cars or any thereof or on account of the use or operation thereof or on account of the earnings arising therefrom (exclusive, however, of Federal, state, or local income taxes on the rentals or other amounts herein provided, except any such tax on such amounts which is in substitution for, or relieves Lessee from, the payment of taxes which it would otherwise be obligated to pay or reimburse as hereinbefore provided), including but not limited to sales or use, general business and mercantile license taxes payable on account of the acquisition or ownership of the Cars or any thereof by Lessor or on account of the leasing of the Cars hereunder (all such taxes, assessments, fees, charges, documentary stamp taxes, license fees, and other governmental charges together with all fines, penalties and interest in connection therewith being hereinafter called "Impositions"), and will keep at all times all and every part of the Cars free and clear of all Impositions which might in any way affect Lessor's title or result in a lien upon any such Car; provided, however, that Lessee shall not be required to pay the same so long as it shall in good faith and by appropriate legal

or administrative proceedings contest the validity or amount thereof unless thereby, in Lessor's reasonable judgment, the rights or interest of Lessor will be materially endangered. If any Impositions shall have been charged or levied against Lessor directly and paid by Lessor, Lessee shall promptly reimburse Lessor; provided, however, that Lessee shall not be required to so reimburse Lessor unless Lessor shall (i) provide to Lessee, upon written notice therefor by Lessee, an opinion of counsel to the effect that Lessor shall have been legally liable for payment of such Impositions or (ii) give notice to Lessee of any such charge or levy against Lessor directly within a reasonable time after receipt thereof and within a reasonable time prior to payment thereof by Lessor. In the event any tax reports are required to be made on the basis of individual Cars, Lessee will, where permitted to do so under applicable rules and regulations, make such reports in such manner as to show the ownership of such Cars by Lessor as shall be satisfactory to Lessor, or, where not so permitted, will notify Lessor of such requirement and will prepare and deliver such reports to Lessor within a reasonable time prior to the time such reports are to be filed in such manner as shall be satisfactory to Lessor.

Applicable sales and use taxes will be added to the rental payments unless Lessee provides direct payment authority or a valid exemption certificate.

In the event that during the continuance of this Agreement Lessee becomes liable for the payment or reimbursement of any Imposition pursuant to this Section, such liability shall continue, notwithstanding the expiration or other termination of this Agreement, until all such Impositions are paid or reimbursed by Lessee.

Section 8. Payment for Casualty Occurrence or for Cars Unserviceable for Use. During the continuance of this Agreement, any extension or renewal thereof, and during any and all periods of assemblage, storage, transportation, or delivery provided for in Section 11 hereof, in the event any Car accepted hereunder by Lessee shall be or become worn out, lost, stolen, destroyed, irreparably damaged, or economically unserviceable for use from any cause whatsoever, or shall be requisitioned or taken over by any governmental authority under the power of eminent domain or otherwise (each such occurrence being hereinafter called a "Casualty Occurrence") prior to the return of such Car to Lessor, or the purchase thereof by Lessee, Lessee shall promptly (after it has knowledge of such Casualty Occurrence) and fully inform Lessor in regard thereto by written notice. On the next Rental Payment Date hereunder following the happening of a Casualty Occurrence, in lieu of the rental payment otherwise due thereon with respect to such affected Cars, Lessee will pay Lessor on account of the affected Cars the Stipulated Loss Value (as hereinafter defined). The "Stipulated Loss Value" of such affected Cars shall be the sum of (i) any and all past due rental or other payments due hereunder, including interest applicable thereto, (ii) an amount equal to the product of the applicable Lessor's Cost, as set forth in the applicable Certificate of Acceptance in the form of Exhibit "A" hereto, multiplied by the applicable percentage set forth in the Schedule of Stipulated Loss Values which is attached hereto, made a part hereof and marked Exhibit "B", and (iii) all taxes (exclusive, however, of Federal, state or local income taxes) fees and other charges payable as a result of or in connection with the payment of the foregoing amounts.

Upon paying the Stipulated Loss Value of the Car or Cars which shall have suffered a Casualty Occurrence, rental for such Car or Cars shall cease to accrue after such next Rental Payment Date, the total cost to Lessor of such Car or Cars being subtracted from the total cost to Lessor of all of the Cars (referred to in Section 4 hereof), and Lessee shall thereupon automatically take title to such Car or Cars AS-IS, WHERE-IS, WITHOUT WARRANTY BY LESSOR EXPRESS OR IMPLIED WITH RESPECT TO ANY MATTER WHATSOEVER. Lessor will remit to Lessee if and as received any net insurance proceeds payable as the result of insurance which may be carried by Lessee or net proceeds of an award in eminent domain or condemnation proceedings in respect of Cars suffering Casualty Occurrences; provided, however, that Lessee shall have already paid to Lessor the Stipulated Loss Value with respect to each such Car and further provided that Lessee shall not be in default under any other provisions of this Agreement.

In the event any such Casualty Occurrence shall occur during a period of assemblage, storage, transportation, or delivery specified in Section 11 hereof, Lessee will pay Lessor on account of the affected Cars the fair market value of such affected Cars, such fair market value to be determined in accordance with the procedures set forth in Section 5 hereof as of the day prior to the occurrence of any such Casualty Occurrence. Upon payment of such fair market value, Lessee shall automatically take title to such affected Cars AS-IS, WHERE-IS, WITHOUT WARRANTY BY LESSOR EXPRESS OR IMPLIED WITH RESPECT TO ANY MATTER WHATSOEVER. Lessor will remit to Lessee if and as received any net insurance proceeds payable as the result of insurance which may be carried by Lessee or net proceeds of an award in eminent domain or condemnation proceedings in respect of such affected Cars; provided, however, that Lessee shall have

already paid to Lessor such fair market value with respect to each such Car and further provided that Lessee shall not be in default under any other provision of this Agreement.

Lessee shall bear the risk of, and, except as hereinabove provided, shall not be released from its obligations hereunder in the event of, and shall bear the responsibility for and risk of, any Casualty Occurrence to any Car after acceptance thereof by Lessee.

Section 9. Disclaimer of Warranties; Compliance with Laws and Rules; Maintenance; Insurance and Indemnification. LESSOR MAKES NO WARRANTY OR REPRESENTATION, EITHER EXPRESS OR IMPLIED, AS TO THE DESIGN OR CONDITION OF, OR AS TO THE QUALITY OF MATERIAL, EQUIPMENT OR WORKMANSHIP IN, THE CARS, AND LESSOR MAKES NO WARRANTY OF MERCHANTABILITY OR FITNESS OF THE CARS FOR ANY PARTICULAR PURPOSE OR AS TO TITLE TO THE CARS OR ANY COMPONENT THEREOF OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE CARS, EITHER AT THE TIME OF DELIVERY THEREOF TO LESSEE OR OTHERWISE, it being expressly agreed that all such risks, as between Lessor and Lessee, are to be borne by Lessee. Delivery of a certificate of acceptance, as provided for in Section 2 hereof, shall be conclusive evidence as between Lessor and Lessee that the Cars described therein are in all respects satisfactory to Lessee, and Lessee will not assert any claim of any nature whatsoever against Lessor in connection therewith.

Lessee agrees to comply in all respects (including but not limited to the use, maintenance and operation of each Car) with all applicable laws and regulations, including but not limited to all laws of the jurisdiction in which its operations involving the Cars may extend, with the Interchange Rules of the

Association of American Railroads and with all applicable lawful rules of the Federal Department of Transportation, the Interstate Commerce Commission and any other legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Cars, to the extent that such laws and rules affect the title, operation or use of the Cars, and in the event that such laws or rules require any alteration of any Car, or in the event that any equipment or appliance on any such Car shall be required to be changed or replaced, or in the event that any additional or other equipment or appliance is required to be installed on any such Car in order to comply with such laws or rules, Lessee will make such alterations, changes, replacements and additions promptly and at its own expense; provided, however, that Lessee may, at its own expense and in good faith, contest the validity or application of any such law or rule in any reasonable manner which does not, in the reasonable opinion of Lessor, adversely affect Lessor's title to the Cars and its rights under this Agreement.

Lessee agrees that, at its own cost and expense, it will maintain and keep each Car in good order and repair and will furnish any and all parts, devices, supplies and labor required in connection therewith.

Any and all alterations or additions to any Car and any and all accessory parts installed on and additions and replacements thereto (hereinafter "Alterations"), whether or not the making of any such alterations, additions, installations, or replacements shall be required, under this Agreement or otherwise, shall constitute accessions to such Car and, at the cost and expense of Lessee, full ownership thereof free from any lien, charge, security interest or encumbrance shall immediately be vested in Lessor; provided, however, that upon the termination of this Agreement, unless Lessor shall have paid to Lessee the then depreciated value of any such alteration, Lessee

may remove the same and restore the Car to its original condition, ordinary wear and tear excepted, subject to the provisions of Section 11 hereof.

Lessee agrees to indemnify, protect and hold harmless Lessor and its successors and assigns from and against (a) any and all loss or damage of or to the Cars, ordinary wear and tear excepted, and (b) any and all losses, expenses, damages, injuries, liabilities (including but not limited to strict or absolute liability, whether in tort or imposed by statute) claims and demands whatsoever, regardless of the cause thereof, and expenses in connection therewith, including but not limited to reasonable counsel fees and expenses, patent liabilities, penalties and interest, arising in any way out of or as the result of the entering into or the performance of this Agreement, or any instrument or agreement referred to herein or contemplated hereby, the ownership of any Car, the transportation, leasing, use, operation, condition, purchase, possession, construction, delivery, rejection, assemblage, storage, or return of any Car or any accident in connection with the transportation, leasing, use, operation, condition, purchase, possession, construction, delivery, rejection, assemblage, storage, or return of any Car resulting in damage to property or injury or death to any person, or arising by reason of or as a result of any act or omission of Lessee, excepting any such loss, expense, damage, injury, liability, claim or demand arising solely out of an act or omission of Lessor. The indemnities arising hereunder shall continue in full force and effect notwithstanding the full payment and performance of all other obligations under the lease embodied in this Agreement or the expiration or other termination of this Agreement.

During the continuance of this Agreement, any extension or renewal thereof, and during any and all periods of assemblage, storage, transportation, or delivery provided for in Section 11 hereof, Lessee will at its own expense, cause to be carried and maintained in respect of the Cars at the time subject hereto, public liability and risk of loss insurance in amounts and against risks customarily insured against by Lessee on similar equipment, provided that such public liability insurance shall be in amounts not less than \$21,000,000. Such policies of public liability insurance shall be in form and with companies approved by Lessor and shall include Lessee and Lessor as named insureds as their interests may appear, and may have a deductible not to exceed \$10,000. Lessee shall deliver certificates evidencing such policies, or duplicates thereof, to Lessor. Each insurer shall acknowledge and agree by endorsement upon the policy or policies issued by it or by independent instrument furnished to Lessor that it will make payment of any claims in respect of the Cars jointly to Lessee and Lessor, or to Lessor alone, for application in accordance with the terms of this Agreement and will give Lessor at least thirty (30) days written notice before the policy in question shall be altered or cancelled.

Lessee agrees to prepare and deliver to Lessor within a reasonable time prior to the required date of filing (or, to the extent permissible, file on behalf of Lessor) any and all reports (other than income tax returns) to be filed by Lessor with any Federal, state or other regulatory authority by reason of the ownership of the Cars by Lessor or the leasing thereof to Lessee.

Section 10. Default. If, during the continuance of the lease embodied in this Agreement, one or more of the following events (herein sometimes called "Events of Default") shall occur:

A. failure to pay when due any part of the rental provided in Sections 4 and 5 hereof, which failure shall continue for ten (10) days after the due date thereof;

B. failure to pay any other amount provided for in this Agreement when the same becomes due, or default by Lessee in the observance or performance of any obligation, term or condition of this Agreement, provided such nonpayment or default shall continue for more than ten (10) days after written notice of such nonpayment or default is received by Lessee;

C. Lessee shall make or permit any unauthorized assignment or transfer of this Agreement or any interest therein, or of possession of the Cars, or any thereof;

D. a petition for reorganization under Section 77 of the Bankruptcy Act, as now constituted or as said Section 77 may be hereafter amended, shall be filed by or against Lessee and, unless such petition shall have been dismissed, nullified, stayed, or otherwise rendered ineffective (but in any such case only for so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of Lessee under this Agreement shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees appointed in such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or otherwise given a status comparable to obligations

incurred by such a trustee or trustees within thirty (30) days after such appointment, if any, or sixty (60) days after such petition shall have been filed, whichever shall be earlier;

E. any other proceedings shall be commenced by or against Lessee for any relief under any bankruptcy or insolvency laws, or laws relating to the relief of debtors, readjustments or indebtedness, reorganization, arrangements, compositions or extensions (other than a law which does not permit any readjustment of the obligations of Lessee hereunder) and, unless such petition shall have been dismissed, nullified, stayed or otherwise rendered ineffective (but in any such case only for so long as such stay shall continue in force or such ineffectiveness shall continue), all the obligations of Lessee under this Agreement shall not have been duly assumed in writing, pursuant to a court order or decree, by a trustee or trustees or receiver or receivers appointed for Lessee or for the property of Lessee in connection with any such proceedings in such manner that such obligations shall have the same status as obligations incurred by such a trustee or trustees or receiver or receivers, or otherwise given a status comparable to obligations incurred by such a trustee or trustees or receiver or receivers, within thirty (30) days after such appointment, if any, or sixty (60) days after such proceedings shall have been commenced, whichever shall be earlier.

then, in each and every such case, Lessor, at its option may

(i) proceed by appropriate court action or actions, either at law or in equity, to enforce performance by Lessee of the applicable covenants of this Agreement or to recover damages for the breach thereof; or

(ii) by notice in writing to Lessee, terminate this Agreement and the lease embodied herein forthwith as to any or all Cars whereupon all right of Lessee to the use and possession of such Car or Cars shall absolutely cease and determine as though this Agreement had never been made, but Lessee shall remain liable as hereinafter provided; and thereupon Lessor may by its agents enter upon the premises of Lessee or other premises where any of the Cars may be and without any court order or other process of law take possession of and remove all or any of such Cars and thenceforth hold, possess and enjoy the same free from any right of Lessee, or its successors or assigns, to use the Cars for any purposes whatever and without any duty to account to Lessee for such action or inaction or for any proceeds arising therefrom, Lessee hereby waiving to the extent permitted by applicable law any and all damages occasioned by such entry, taking of possession, or removal; but Lessor shall,

nevertheless, have a right to recover from Lessee any and all amounts which under the terms of this Agreement may be then due or which may have accrued to the date of such termination (computing the rental for any number of days less than a full rental period by multiplying the rental for such full rental period by a fraction, the numerator of which is such number of days and the denominator of which is the total number of days in such full rental period) and also to recover forthwith from Lessee all of the following amounts as a part of damages for loss of a bargain and not as a penalty:

(a) An amount equal to the product of the applicable Lessor's Cost as set forth in the applicable Certificate of Acceptance in the form of Exhibit "A" hereto, multiplied by the applicable percentage set forth in the Schedule of Stipulated Loss Values which is attached hereto made a part hereof and marked Exhibit "B". Such amount shall be subject to credit or reimbursement by Lessor to Lessee for any rentals Lessor may earn on the Cars from the date of default to the end of the Second Renewal Term, net of Lessor's expenses incurred in connection with any such re-leasing (the parties hereto expressly agreeing that any such re-leasing shall be deemed to have been made in a commercially reasonable manner); provided however, that any such credit or reimbursement shall be limited to the sum of all rentals for the Cars which would otherwise have accrued hereunder from the date of default to the end of the Second Renewal Term. In the event the Cars are not re-leased, such amount shall be subject to credit or reimbursement by Lessor to

Lessee for any proceeds Lessor may receive from any sale of the Cars by Lessor concluded prior to the end of the Second Renewal Term, net of Lessor's expenses incurred in connection with any such sale (the parties hereto expressly agreeing that any such sale shall be deemed to have been made in a commercially reasonable manner); provided, however, that any such credit or reimbursement shall be limited to the amount of the Stipulated Loss Value recoverable from Lessee pursuant to this Section.

(b) A reasonable provision for expenses incidental to Lessor's enforcement of its rights hereunder including but not limited to expenses of entry, taking possession, and removal of the Cars if the Cars have not been delivered to Lessor by Lessee as provided under Section 11 hereof.

(c) Any damage which the Lessor shall have sustained by reason of the breach of any covenants of this Agreement.

(d) Interest on any of the above amounts at the Interest Rate from the date of default until the date of payment,.

(e) Reasonable counsel fees, costs, and expenses of suit incurred in connection with the enforcement of the provisions of this Agreement.

In the event of the occurrence of any material event of default by Lessee under any loan or credit or financing agreement to which Lessee is a party or by which Lessee or any of its properties is bound, which such agreement then involves an amount in excess of \$250,000, Lessor may at its option and by written notice to Lessee terminate the lease embodied in this Agreement but, in such event, Lessor shall be entitled only to the return of the Cars in the condition provided for in this Agreement, together with all

amounts accrued and unpaid under this Agreement, including but not limited to rent for any number of days less than a full rental period computed as provided hereinabove, and further provided that it is expressly agreed that Lessor shall be under no obligation whatsoever to observe or declare such a material event of default under such other agreement, it being the express intent of the parties hereto that Lessee's obligations under this Agreement shall not in any way be affected or reduced by any such failure to observe or declare by Lessor.

The remedies of this Agreement provided in favor of Lessor shall not be deemed exclusive, but shall be cumulative, and shall be in addition to all other remedies in its favor existing at law or in equity and may be enforced concurrently therewith or from time to time. Any failure by Lessor to enforce any provision hereof or any failure by Lessor to avail itself of any remedy afforded hereunder shall not be deemed a waiver thereof. Lessee hereby waives any provision of any law now or hereafter in effect which might limit or modify any of the remedies of Lessor provided hereunder or exempt any property of Lessee, to the extent that each such waiver is not, as of the time of making each such waiver, prohibited by law.

Section 11. Return of Cars Upon Termination. Upon termination of the lease embodied in this Agreement for any reason, Lessee shall, at its own cost, expense and risk, forthwith deliver possession of the Cars to Lessor in the same condition as when delivered to Lessee, ordinary wear and tear excepted and in such condition as shall meet the standards then in effect under the Interchange Rules of the Association of American Railroads, if applicable and/or the applicable rules of any governmental agency or other organization having jurisdiction. For the purpose of delivery of possession of the Cars to Lessor as above required, Lessee shall at its own cost, expense and risk:

- (a) forthwith place the cars upon such storage tracks of Lessee or any of its affiliates as Lessor may designate or, in the absence of such designation, upon such storage tracks as Lessee may select;

(b) permit Lessor to store the Cars on such tracks for a period not to exceed six (6) months; and

(c) transport the same to any place on the lines of Lessee operated by it or any of its affiliates or to any connecting carrier for shipment, all as directed by Lessor.

The assembling, delivery, storage and transporting of the Cars as herein provided shall be at the sole cost, expense and risk of Lessee and are of the essence of this Agreement, and upon application to any court of equity having jurisdiction in the premises Lessor shall be entitled to a decree against Lessee requiring specific performance of the covenants of Lessee so to assemble, deliver, store and transport the Cars. During any storage period, Lessee will permit Lessor or any person designated by it including the authorized representative or representatives of any prospective purchaser or lessee of any Car, to inspect the same; provided, however, that Lessee shall not be liable, except as to its negligence or the negligence of its employees or agents, for any injury to, or the death of, any person exercising rights of inspection granted hereunder.

Without in any way limiting Lessee's obligations hereunder, Lessee hereby irrevocably appoints Lessor as Lessee's agent and attorney, with full power and authority, at any time while Lessee is obligated to deliver possession of such Car, in the name and on behalf of Lessee, to take possession from such person or entity as may be in possession of such Car at such time.

All amounts earned in respect of the Cars, after termination of the lease embodied in this Agreement for any reason, shall belong to Lessor, and, if received by Lessee, shall be promptly paid over to Lessor.

Section 12. Assignment; Possession and Use. This Agreement may be assigned or transferred in whole or in part by Lessor without Lessee's consent but Lessee shall be under no obligation to any assignee or transferee of Lessor except upon receipt of any written notice of such assignment or transfer from

Lessor. In the event of Lessor's assignment, Lessor's assignee or transferee shall have, to the extent assigned or transferred to it, all rights, powers, privileges and remedies of Lessor hereunder. Lessee agrees that no such assignee or transferee shall assume any obligation (except the obligation of quiet enjoyment free from hindrance from those claiming by or under such assignee or transferee) of Lessor hereunder, and that the obligations of Lessee hereunder shall not be subject, as against any such assignee or transferee, to any defense, set-off or counterclaim available to Lessee against Lessor and that the same may be asserted only against Lessor. All the rights of Lessor hereunder (including but not limited to the right to receive rentals payable under this Agreement) shall inure to the benefit of Lessor's assignees or transferees (including the partners or any beneficiary of any such assignee or transferee if such assignee or transferee shall be a partnership or a trust, respectively). Whenever the term Lessor is used in this Agreement it shall apply and refer to each such assignee and transferee of Lessor.

So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession and use of the Cars in accordance with the terms of this Agreement. Without Lessor's written consent, Lessee shall not assign or transfer its interest under this Agreement. Nothing in this Section 12 shall be deemed to prohibit Lessee from assigning or transferring its interest under the lease embodied in this Agreement or possession of the Cars to any corporation incorporated under the laws of any state of the United States of America or the District of Columbia into or with which Lessee shall have become merged or consolidated or which shall have acquired all or substantially all of the railroad properties of Lessee provided that, as of the time of such merger, consolidation, or acquisition, such other corporation shall (i) have duly assumed of the obligations of Lessee hereunder, (ii) not be in default under any provis

hereof, and (iii) have a net worth greater than or equal to the net worth of Lessee as of the date of this Agreement or the net worth of Lessee as of the date of such merger, consolidation, or acquisition, whichever shall be greater.

Lessee, at its own expense, will promptly pay or discharge any and all sums claimed by any party which, if unpaid, might become a lien, charge, security interest or other encumbrance (other than an encumbrance created or incurred by Lessor which is not the result of any act or omission of Lessee) upon or with respect to any Car, including any accession thereto, or the interest of Lessor, or Lessee therein, and will promptly discharge any such lien, claim, security interest or other encumbrance which arises; provided, however, that Lessee shall not be required to pay the same so long as it shall in good faith and by appropriate legal or administrative proceedings contest the validity or amount thereof unless thereby, in Lessor's reasonable judgment, the rights or interests of Lessor will be materially endangered. Lessee shall not, without Lessor's prior written consent, part with the possession or control of, or suffer or allow to pass out of its possession or control, any of the Cars, except as permitted herein.

So long as Lessee shall not be in default under this Agreement, Lessee shall be entitled to the possession of the Cars and to the use of the Cars upon lines of railroad owned or operated by it or upon lines of railroad over which Lessee has trackage or other operating rights or over which Lessee's railroad equipment is regularly operated pursuant to contract, and also to permit the use of the Cars upon connecting and other carriers in the usual interchange of traffic, but only upon and subject to all the terms and conditions of this Agreement; provided, however, that Lessee shall not assign or permit the assignment of any Car to service involving the regular operation and

maintenance thereof outside the United States of America or any operation and maintenance thereof outside the United States of America and the Dominion of Canada. Lessee may receive and retain compensation for such use from other railroads so using any of the Cars.

Section 13. Notices. Any notice required or permitted to be given by or to either party hereto shall be deemed to have been given when personally delivered to the following address, when actually received at the following address, or, where personal delivery or actual receipt shall not be specifically required hereunder, when deposited in the United States mails, in certified or registered form, postage prepaid, addressed as follows:

if to Lessor: U. S. Steel Credit Corporation
Room 5688
600 Grant Street
Pittsburgh, Pennsylvania 15230

if to Lessee: Chicago, Milwaukee, St. Paul and
Pacific Railroad Company
516 W. Jackson Blvd., Room 746
Chicago, Illinois 60606
Attn: Vice President-Finance and Accounting

or addressed to such other party or address as may be designated from time to time by each respective party to the other party in writing.

Section 14. Law Governing. This Agreement shall be construed in accordance with the laws of the Commonwealth of Pennsylvania; provided, however, that the parties hereto shall be entitled to all rights conferred by Section 20c of the Interstate Commerce Act and such additional rights arising out of the filing, recording, or depositing hereof as shall be conferred by the laws of the several jurisdictions in which this Agreement shall be filed, recorded or deposited.

Section 15. Modification of Agreement. This Agreement exclusively and completely states the rights of the parties hereto with respect to the

leasing of the Cars and supersedes any and all other agreements, written or oral, with respect thereto. Except as specifically provided for under the terms of this Agreement, no modification, extension, waiver, renewal or termination of this Agreement, or any of its provisions, shall be binding on either party hereto unless in writing and signed on behalf of each of the parties hereto by the duly authorized representative of each such party.

Section 16. Furnishing of Reports. Lessee will furnish to Lessor:

- (a) within thirty (30) days after the end of each of the first three quarterly fiscal periods of Lessee, balance sheets and statements of income and surplus of Lessee as filed with the Interstate Commerce Commission; (b) within one hundred twenty (120) days after the close of each fiscal year of Lessee, balance sheets of Lessee and its consolidated subsidiaries as of the close of each such fiscal year, together with the related statements of income and surplus and source and application of funds for each such fiscal year, in comparative form with the preceding fiscal year, all in reasonable detail and all certified by a recognized national firm of independent public accountants;
- (c) within one hundred twenty (120) days after the close of each fiscal year of Lessee, a certificate of the chief financial officer of Lessee to the effect that such officer has reviewed this Agreement and has made a review of the transactions of Lessee during the preceding fiscal year, that such review has not disclosed the existence, nor does such officer have knowledge of the existence, of any condition or event which constitutes or which, after notice or lapse of time or both, would constitute an Event of Default; and (d) such other information as Lessor may from time to time reasonably request (including but not limited to the public documents and reports of Lessee filed with the Interstate Commerce Commission and the public documents and reports of Lessee filed with the Securities and Exchange Commission).

On or before March 31 in each year, commencing with the calendar year 1978, Lessee will furnish to Lessor an accurate statement as of the preceding December 31: (a) showing (i) the amount, description and numbers of the Cars then leased hereunder, (ii) the amount, description and numbers of all Cars, if any, that have suffered a Casualty Occurrence during the preceding twelve (12) months (or since the date of this Agreement, in the case of the first such statement), (iii) the amount, description and numbers of all Cars, if any, then undergoing repairs (other than running repairs) or then withdrawn from use pending such repairs, and (iv) such other information regarding the condition and state of repair of the Cars as Lessor may from time to time reasonably request; (b) stating that, in the case of all Cars, if any, repainted during the period covered by such statement, the markings required by Section 6 hereof shall have been preserved or replaced; and (c) stating that all Cars are being maintained in accordance with all rules and regulations applicable to similar equipment subject to the Interchange Rules of the Association of American Railroads.

Lessor shall have the right, by its authorized representatives, but shall be under no obligation, to inspect the Cars and Lessee's records with respect thereto, at such times as shall be reasonably necessary to confirm to Lessor the existence and proper maintenance thereof during the continuance of the lease embodied in this Agreement. Lessee's obligations respecting the Cars shall not be diminished in any manner by any failure of Lessor to so inspect.

Section 17. Opinion of Counsel. At the time this Agreement is executed, Lessee will deliver to Lessor two counterparts of a written opinion of counsel for Lessee, addressed to Lessor, in scope and substance satisfactory to counsel for Lessor, to the effect that:

A. Lessee is a corporation duly organized and validly existing under the laws of the state of Wisconsin and is duly qualified, licensed and in good standing in all jurisdictions in which such qualification and licensing is necessary in connection with the entering into of this Agreement or the performance of the obligations contemplated herein by Lessee;

B. this Agreement, and the obligations contemplated herein, have been duly authorized, executed, and delivered on behalf of Lessee and constitute valid, legal and binding obligations of Lessee, enforceable in accordance with their terms;

C. the entering into and performance of this Agreement do not require the consent, approval, or withholding of same by any person, party or governmental authority or agency;

D. this Agreement has been or promptly will be recorded pursuant to the requirements specifically enumerated and described in Section 18 of this Agreement and such filing and recordation will protect Lessor's title to the Cars and its rights under this Agreement, and no further filing, recording, or depositing or giving of notices with or to any other Federal, state or local government or agency thereof is necessary to protect Lessor's title to the Cars and its rights under this Agreement;

E. no approval is required from any public regulatory body in connection with the entering into of this Agreement by Lessee or in connection with the due and punctual performance by Lessee of the obligations contemplated herein;

F. the entering into and performance of this Agreement do not violate and will not violate any presently applicable law or regulation and will not violate, result in any breach of, or constitute a default under, any indenture, mortgage, deed of trust, bank loan or credit agreement or any other agreement or instrument to which Lessee is a party or by which it or any of its properties may be bound;

G. Lessee is not now in material default under any lease, loan, credit or financing agreement to which Lessee is a party or by which Lessee or any of its properties is bound;

H. except as hereinafter enumerated, there are no actions at law or in equity pending or, to counsel's knowledge, threatened involving the likelihood of any judgment or liability against Lessee which are not covered by insurance and which may result in any material adverse change in the business or properties of Lessee and there are no proceedings of any kind or nature pending or, to counsel's knowledge, threatened against Lessee by any Federal or state board or other administrative authority or agency which may result in any material adverse change in the business or properties of Lessee.

Any opinion of counsel required hereunder may state that it is subject to qualification in that the enforceability of rights and remedies specified or contemplated herein is subject to any applicable bankruptcy, reorganization, insolvency, moratorium or other laws affecting the enforce-

ment of creditors' rights generally.

Section 18. Recording; Expenses. Lessee will cause, at its own expense, this Agreement and any assignment or modification thereof to be filed and recorded with the Interstate Commerce Commission in accordance with Section 20c of the Interstate Commerce Act.

Lessee will undertake the filing, registering, depositing, and recording and refiling, re-registering, redepositing and re-recording required by Lessor and will from time to time do and perform any other act and will execute, acknowledge, deliver, file, register, record and deposit (and will refile, re-register, redeposit and re-record as and when required) any and all further instruments required by law or reasonably requested by Lessor for the purpose of proper protection, to Lessor's satisfaction, of Lessor's title to the Cars and its rights under this Agreement, or for the purpose of carrying out the intentions of this Agreement; and Lessee will promptly furnish to Lessor evidences of all such filing, registering, depositing or recording, and an opinion or opinions of counsel for Lessee with respect thereto, in scope and substance satisfactory to counsel for Lessor.

Section 19. Severability. Any provision of this Agreement which is prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions hereof, and any such prohibition or unenforceability in any jurisdiction shall not invalidate or render unenforceable such provision in any other jurisdiction.

Section 20. Additional Information. In addition to the information called for by Section 16 hereof, Lessee will furnish to Lessor such other information, including but not limited to information with respect to Lessee's financial position and business and with respect to the Cars, at such times and for such period or periods as Lessor may from time to time reasonably request.

Section 21. Miscellaneous. Any other provision contained in this Agreement to the contrary notwithstanding, it is hereby agreed that, unless clearly inappropriate by its terms, the termination of the leasing of the Cars under the terms of the lease embodied in this Agreement shall not cut off or otherwise in any way adversely affect any accrued rights of either party hereunder.

This Agreement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which taken together shall constitute but one and the same instrument.

The Table of Contents inserted in this Agreement and the headings inserted in the text hereof have been included solely for the convenience of the parties hereto and shall not be deemed a part of, nor affect any construction or interpretation of this Agreement or any provision hereof.

Subject to the provisions hereof, this Agreement shall bind and inure to the benefit of the parties hereto and their respective successors and assigns.

The parties hereto agree that, in respect of the performance of all acts and duties required hereunder, time is of the essence of this Agreement

This Agreement shall be effective as of the date first above written.

If Railroad Company shall fail to perform or satisfy fully any of its obligations specified or contemplated herein, Corporation may, but shall not be obligated to, at any time and from time to time, make advances to effect performance or satisfaction of any such obligation. All such advances, together with interest thereon at the rate of 12% per annum, shall be repaid by Railroad Company to Corporation upon demand.

IN WITNESS WHEREOF, INTENDING TO BE LEGALLY BOUND HEREBY, Lessor and Lessee, each pursuant to due authority, have caused these presents to be signed in their respective names and their respective seals to be hereunto affixed on the dates indicated in the respective notarizations attached hereto.

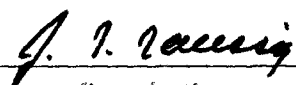
ATTEST:


Attest. Secy.

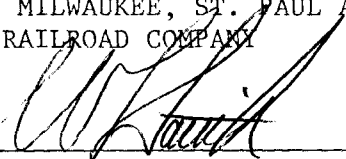
U. S. STEEL CREDIT CORPORATION

By 
Vice President

ATTEST:


Secretary

CHICAGO, MILWAUKEE, ST. PAUL AND
PACIFIC RAILROAD COMPANY

By 
Secretary

COMMONWEALTH OF PENNSYLVANIA :
: SS.
COUNTY OF ALLEGHENY :

On this *19th* day of *October*, 1976, before me personally appeared *R. B. Ryan* to me personally known, who, being by me duly sworn, says that he is *Vice President* of U. S. STEEL CREDIT CORPORATION, that the seal affixed to the foregoing instrument is the corporate seal of said corporation and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Diane L. Powell

Notary Public

DIANE L. POWELL, Notary Public
PITTSBURGH, ALLEGHENY COUNTY, PA.
MY COMMISSION EXPIRES
OCTOBER 17, 1977

(NOTARIAL)

STATE OF ILLINOIS :
 : SS.
COUNTY OF COOK :

On this 20th day of October, 1976, before me personally appeared W. L. Smith, to me personally known, who, being by me duly sworn, says that he is President of Chicago, Milwaukee, St. Paul and Pacific Railroad Company, that the seal affixed to the foregoing instrument is the corporate seal of said corporation and he acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Barbara Pickens
Notary Public

(NOTARIAL)

EXHIBIT "A"

CERTIFICATE OF ACCEPTANCE

Under Agreement to Lease Railroad Equipment, dated as of October 1, 1976.

The undersigned hereby certifies that he is the duly authorized representative of Chicago, Milwaukee, St. Paul and Pacific Railroad Company (hereinafter "Lessee"), that the following cars referred to in the Lease of Railroad Equipment between U. S. Steel Credit Corporation and the Lessee, dated as of October 1, 1976 (hereinafter "Lease"):

<u>Quantity</u>	<u>Lessee's Identifying Numbers</u>	<u>Date</u>	<u>Lessor's Cost</u>
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have been duly delivered in good order by U. S. Steel Credit Corporation to the Lessee under the Lease and have been duly inspected and accepted by the undersigned on the said date on behalf of the Lessee as conforming in all respects to the requirements and provisions of the Lease.

The undersigned further certifies that at the time of its delivery to Lessee each car covered by this Certificate was properly marked on each side thereof with the legend provided for in Section 6 of the Lease.

CHICAGO, MILWAUKEE, ST PAUL AND
PACIFIC RAILROAD COMPANY

BY _____

EXHIBIT B

EQUIPMENT LEASE AGREEMENT DATED AS OF

OCTOBER 1, 1976
BY AND BETWEENU. S. STEEL CREDIT CORPORATION
AS LESSOR

AND

CHICAGO, MILWAUKEE, ST. PAUL & PACIFIC RAILROAD COMPANY
AS LESSEE

SCHEDULE OF STIPULATED LOSS VALUES

<u>After Receipt of Rent Payment No.</u>	<u>In Lieu of Payment No.</u>	<u>Stipulated Loss Value Percentages</u>
0	1	104.812
1	2	104.409
2	3	104.010
3	4	103.603
4	5	103.187
5	6	102.823
6	7	102.381
7	8	101.854
8	9	101.241
9	10	100.547
10	11	99.782
11	12	98.933
12	13	91.592
13	14	90.580
14	15	89.496
15	16	88.328
16	17	87.077
17	18	85.744
18	19	84.340
19	20	82.850
20	21	74.867
21	22	73.211
22	23	71.483
23	24	69.669
24	25	67.771
25	26	65.790
26	27	63.736
27	28	61.595
28	29	52.959
29	30	50.651
30	31	48.267
31	32	45.795
32	33	42.239
33	34	40.599
34	35	37.882
35	36	35.078
36	37	32.188
37	38	29.235
38	39	26.222
39	40	23.144
40	Thereafter	20.000